

**LYMAN TOWN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

## **C O N T E N T S**

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# Kimball & Roberts

*Certified Public Accountants*

*A Professional Corporation*

Box 663

Richfield, Utah 84701


Phone 896-6488

Honorable Mayor and Town Council  
Lyman Town  
Lyman, Utah 84749

We have compiled the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lyman Town as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 8 and 26 through 28, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

Richfield, Utah  
August 19, 2005

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is used to assist in formatting, for easier reading)

**Lyman Town  
Management's Discussion and Analysis  
For The Year Ended June 30, 2005**

The discussion and analysis of Lyman Town for the year ending June 30, 2005 and provides an overview of the Town's financial activities. This report is in conjunction the Town's financial statements, which are part of this report.

**Financial Highlights:**

- The assets of the Town exceeded its liabilities at the close of the most recent year by \$329,632 (*net assets* ). Of this amount, \$70,501 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations.
- As of the close of the current calendar year, the Town's governmental funds reported an ending fund balance of \$124,779, an increase of \$50,263. Of this fund balance \$70,501 is available for spending at the Town's discretion (*unreserved fund balance*) .
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$70,501 or 252% of total general fund expenditures.
- The Town's total debt decreased by \$1,970 during the current calendar year.

**Using This Annual Report**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1)government-wide financial statements, 2)fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town's assets, liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is Improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent calendar year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both the government-wide financial statements distinguish functions of the Town that are principally supported by assessed fees assessed as taxes and other funds from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town are general government, highways and streets, parks, recreation and cemetery.

The government-wide financial statements can be found on pages listed in the table of contents.

**Fund financial statements** . A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only governmental fund is the general fund.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with these budgets.

The basic financial statements can be found as listed in the table of contents.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

**Condensed Financial Statements:**

<b>Assets:</b>	<b>2005</b>	<b>2004</b>	<b>Revenues:</b>	<b>2,005</b>	<b>2,004</b>
Current	124,779	64,613	General Revenues	62,229	39,726
			Grants	16,008	71,504
Non-Current	204,853	251,182			
Total Assets	329,632	315,795	Total Revenues	78,237	111,230
<b>Liabilities:</b>			<b>Expenditures:</b>		
Current	-	21,133	Current	34,333	76,750
Long-Term	-	-			
Total Liabilities	-	21,133	Total Expenditures	34,333	76,750

### Condensed Financial Statements - continued.

#### Net Assets:

##### Invested In

##### Capital Assets,

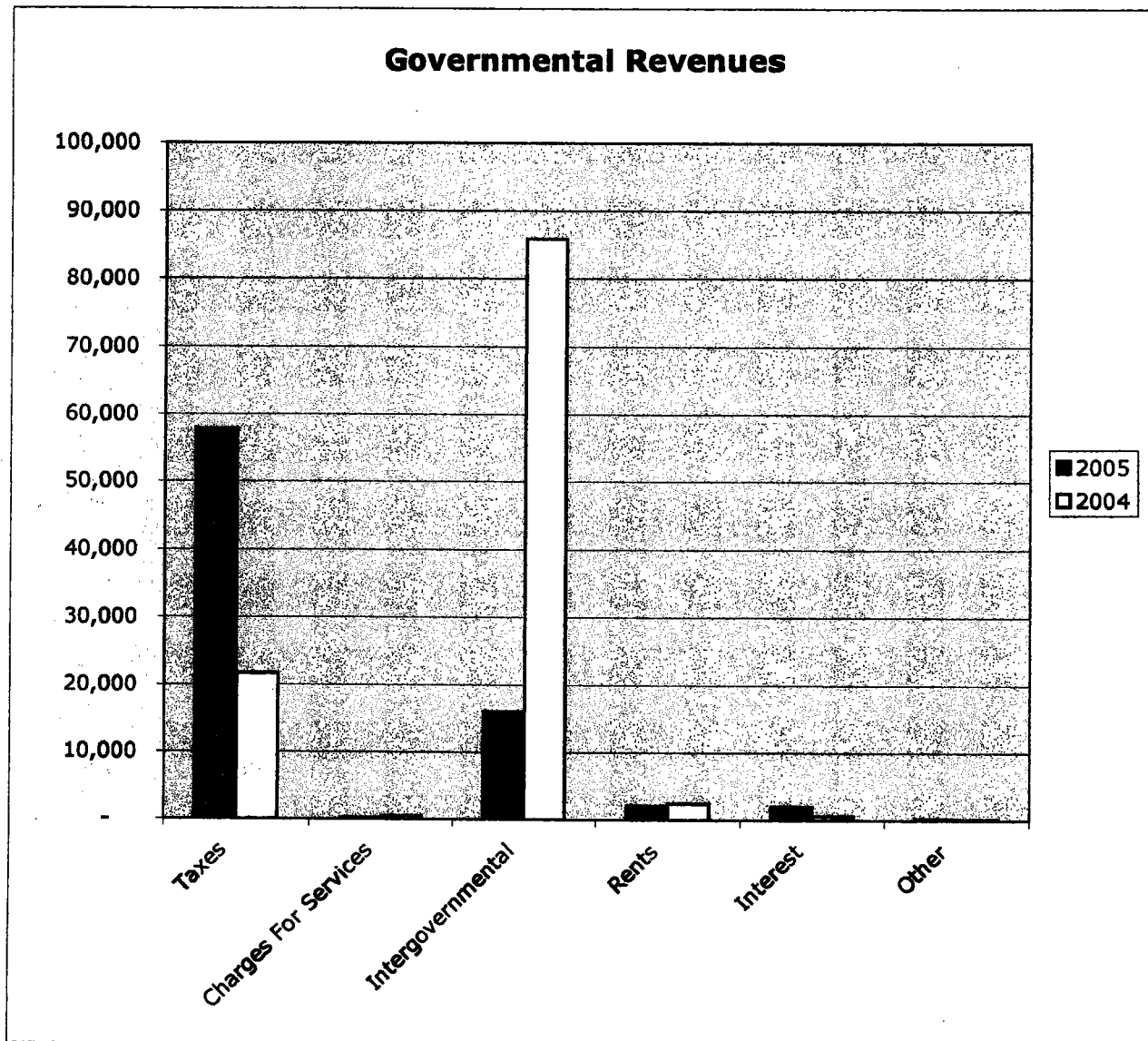
Net of Debt	204,853	230,049			
Restricted	54,278	13,000	Change in Net Assets	43,904	34,480
Unrestricted	70,501	51,613	Beginning Net Assets	285,728	251,248
Net Assets	329,632	294,662	Ending Net Assets	329,632	285,728

#### Contacting the Town.

This financial report is designed to provide the citizens with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lyman Town, P.O. Box 23, Lyman, UT 84749.

**Lyman Town  
Governmental Revenues  
For The Fiscal Years Ending June 30, 2005 and 2004**

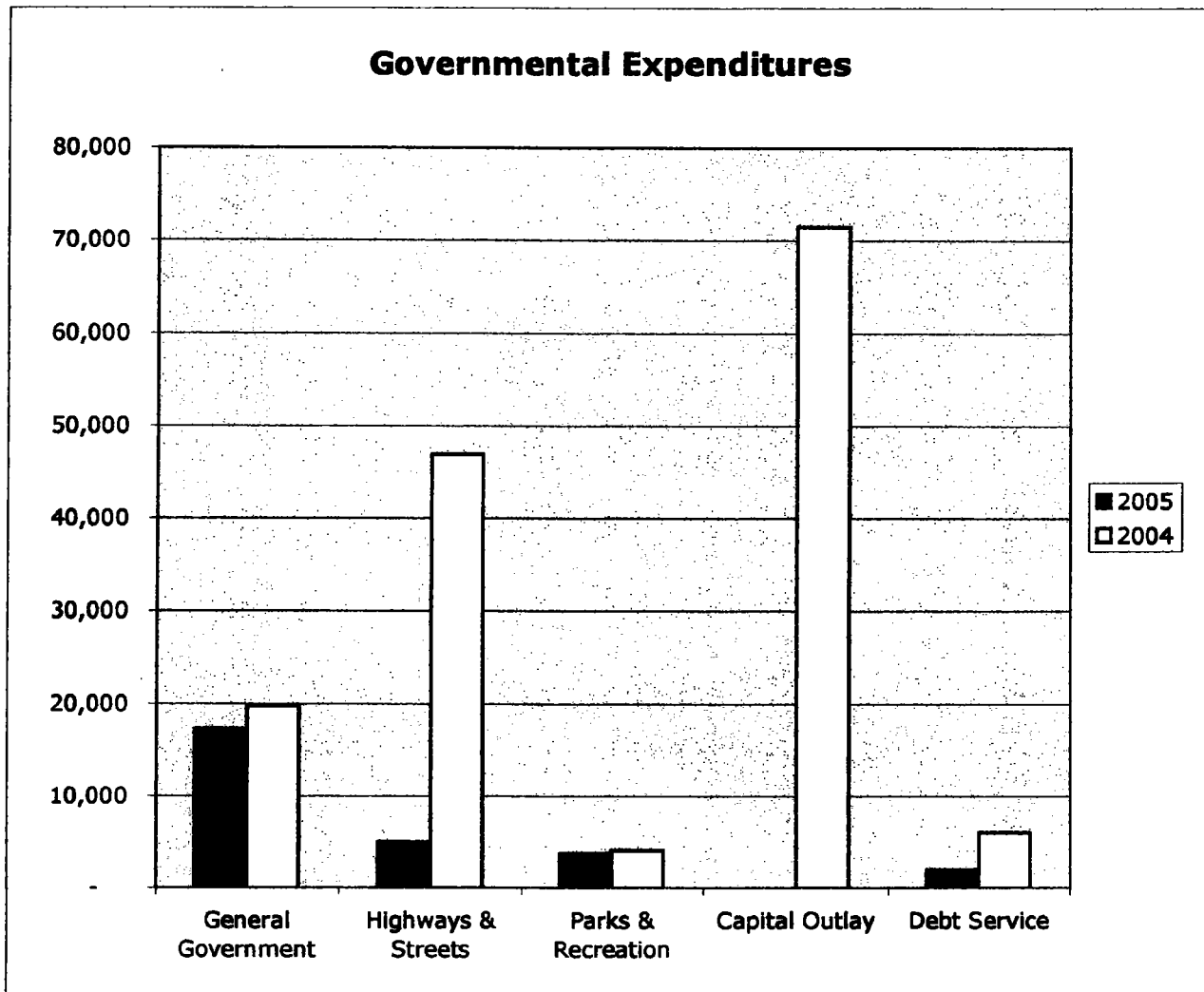
	2005	2004
Taxes	57,775	21,659
Charges For Services	200	500
Intergovernmental	16,009	85,926
Rents	2,075	2,400
Interest	1,999	630
Other	180	115
<b>Total Revenues</b>	<b>78,238</b>	<b>111,230</b>





**Lyman Town**  
**Governmental Expenditures**  
**For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
General Government	17,337	19,767
Highways & Streets	4,928	46,926
Parks & Recreation	3,712	4,067
Capital Outlay	-	71,505
Debt Service	1,998	5,990
<b>Total Expenditures</b>	<b>27,975</b>	<b>148,255</b>



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# **BASIC FINANCIAL STATEMENTS**

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**LYMAN TOWN  
STATEMENT OF NET ASSETS**

**June 30, 2005**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	124,639
Accounts Receivable (Net)	<u>140</u>
Total Current Assets	<u>124,779</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	7,500
Buildings	147,726
Improvements Other Than Buildings	13,427
Equipment	2,000
Infrastructure	<u>34,200</u>
Total Noncurrent Assets	<u>204,853</u>
<b>TOTAL ASSETS</b>	<u><b>329,632</b></u>
<b>LIABILITIES</b>	
Current Liabilities	<u>-</u>
<b>NET ASSETS</b>	
Investment in Capital Assets, Net of Debt	204,853
Restricted For:	
Class C Road	24,497
Perpetual Care	29,781
Unrestricted	<u>70,501</u>
<b>TOTAL NET ASSETS</b>	<u><b>329,632</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u><b>329,632</b></u></u>

See accompanying notes and accountant's report.

**LYMAN TOWN  
STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

					Net (Expense) Revenues and Changes In Net Assets
					Primary Governmental Activities
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
<b>Function/Programs Primary Government:</b>					
Governmental Activities:					
General Government	19,058	180	73	-	(18,805)
Highways and Public Improvements	9,728	-	15,935	-	6,207
Parks, Cemetery and Recreation	5,519	450	-	-	(5,069)
Interest on Long-Term Debt	28	-	-	-	(28)
Total Governmental Activities	<u>34,333</u>	<u>630</u>	<u>16,008</u>	<u>-</u>	<u>(17,695)</u>
General Revenues:					
Property Taxes					3,025
Sales Taxes					54,750
Unrestricted Investment Earnings					1,999
Other					<u>1,825</u>
Total General Revenues and Transfers					<u>61,599</u>
Change in Net Assets					43,904
Net Assets - Beginning					<u>285,728</u>
Net Assets - Ending					<u>329,632</u>

See accompanying notes and accountant's report.

**LYMAN TOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	General Fund	Non-Major Perpetual Care Permanent Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	94,858	29,781	124,639
Accounts Receivable (Net)	140	-	140
<b>TOTAL ASSETS</b>	<u>94,998</u>	<u>29,781</u>	<u>124,779</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	-	-	-
Fund Balances:			
Reserved For:			
Class C Road	24,497	-	24,497
Perpetual Care	-	29,781	29,781
Unreserved	70,501	-	70,501
<b>Total Fund Balance</b>	<u>94,998</u>	<u>29,781</u>	<u>124,779</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>94,998</u>	<u>29,781</u>	<u>124,779</u>

See accompanying notes and accountant's report.

**LYMAN TOWN  
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**June 30, 2005**

Total Fund Balances - Governmental Fund Types	124,779
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds:

Land	7,500
Buildings	147,726
Improvements Other Than Buildings	13,427
Equipment	2,000
Infrastructure	<u>34,200</u>

Total	<u>204,853</u>
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Net Assets of Government Activities	<u><u>329,632</u></u>
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**LYMAN TOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	General Fund	Non-Major Perpetual Care Permanent Fund	Total
<b>Revenues:</b>			
Taxes	57,775	-	57,775
Licenses and Permits	180	-	180
Charges for Services	200	-	200
Intergovernmental Revenue	16,009	-	16,009
Interest	1,284	715	1,999
Rents and Concessions	<u>2,075</u>	<u>-</u>	<u>2,075</u>
 Total Revenues	 <u>77,523</u>	 <u>715</u>	 <u>78,238</u>
<b>Expenditures:</b>			
Current:			
General Government	17,337	-	17,337
Highways and Public Improvements	4,928	-	4,928
Culture and Recreation	3,712	-	3,712
Debt Service	<u>1,998</u>	<u>-</u>	<u>1,998</u>
 Total Expenditures	 <u>27,975</u>	 <u>-</u>	 <u>27,975</u>
 Net Change In Fund Balance	 49,548	 715	 50,263
 Fund Balance - Beginning	 <u>45,450</u>	 <u>29,066</u>	 <u>74,516</u>
 Fund Balance - Ending	 <u>94,998</u>	 <u>29,781</u>	 <u>124,779</u>

See accompanying notes and accountant's report.



**LYMAN TOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net Changes in Fund Balances - Total Governmental Funds	50,263
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Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(8,329)
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The issuance of long-term debt (e.g., bonds, leases) provide current financial  
resources to governmental funds, while the repayment of the principal of  
long-term debt consumes the current financial resources of governmental  
funds. Neither transaction, however, has any effect on net assets. This  
amount is the net effect of these differences in the treatment of long-term  
debt and related items:

Loans Payable	<u>1,970</u>
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Changes In Net Assets of Governmental Activities	<u><u>43,904</u></u>
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**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Lyman Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

**A. Reporting Entity**

Lyman Town is a municipal corporation in Wayne County, Utah. It is governed by an elected mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Lyman Town, the reporting entity. The Town has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Lyman Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government also reports the following non-major governmental fund:

The Perpetual Care Permanent Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**LYMAN TOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Improvements	25 Years
Equipment	7 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Tax Calendar**

January 1	Lien Date - All property appraised based upon situs and status as of this date (real and personal).
March 1	Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.
June 22	All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.
July 22	County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices.
September 1	State Tax Commission approves tax rates.
November 1	County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.
November 1	County auditor to charge the county treasurer to account for all taxes levied.
November 1	County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.
November 30	Taxes on real property become delinquent.

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Budgets and Budgetary Accounting:**

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing (no time period given for towns) in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction. The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the Town Board in the month of May, the mayor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the Town Board makes final adjustments to the tentative budget.
4. On or before June 22, the Town Board adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The Town Board may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the Town Board.
8. Proprietary Fund budgets may be increased without a public hearing by resolution of the Town Board.
9. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Fiscal Procedures Act for Utah Towns require local municipalities to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Lyman Town maintains a cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

At year end, the carrying amount of the Town's deposits were \$45,697 and the bank balance was \$45,782. All of the bank balances were covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

**Investments:**

Statutes authorize the Town to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standards and Poors Corporation or P-1 by Moody's Commercial Paper Record, bankers acceptances, repurchase agreements, and the state treasurer's investment pool. The Town is authorized to enter into reverse repurchase agreements.

The Town's investments are categorized below to give an indication of the risk assumed by the Town at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town in the Town's name, and includes deposits collateralized by securities held by the Town in the Town's name. Category 2 includes uninsured and unregistered investments for which the investments are held by a broker or dealer in the Town's name, and includes deposits collateralized by securities held by the pledging institution in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer but not in the Town's name, and includes deposits not insured or collateralized.

The Lyman Town's investments at year end are shown below:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value/ Carrying Amount</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>	-
Other Items:				
State Treasurer's Investment Pool				<u>78,942</u>
Total				<u>78,942</u>

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Total Capital Assets Not Being Depreciated	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Capital Assets Being Depreciated:				
Buildings	182,673	-	-	182,673
Improvements Other Than Bldg.	18,677	-	-	18,677
Machinery and Equipment	7,000	-	-	7,000
Infrastructure	<u>76,000</u>	<u>-</u>	<u>-</u>	<u>76,000</u>
Total Capital Assets Being Depreciated	<u>284,350</u>	<u>-</u>	<u>-</u>	<u>284,350</u>
Less Accumulated Depreciation For:				
Buildings	32,168	2,779	-	34,947
Improvements Other Than Bldg.	4,500	750	-	5,250
Machinery and Equipment	4,000	1,000	-	5,000
Infrastructure	<u>38,000</u>	<u>3,800</u>	<u>-</u>	<u>41,800</u>
Total Accumulated Depreciation	<u>78,668</u>	<u>8,329</u>	<u>-</u>	<u>86,997</u>
Total Capital Assets Being Depreciated (Net)	<u>205,682</u>	<u>(8,329)</u>	<u>-</u>	<u>197,353</u>
Governmental Activities Capital Assets, Net	<u>213,182</u>	<u>(8,329)</u>	<u>-</u>	<u>204,853</u>



**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 3 - CAPITAL ASSETS**

Depreciation expense was charged to functions of the Primary Government as follows:

General Government	1,721
Highways and Public Improvements	4,800
Parks and Recreation	<u>1,808</u>
Total Depreciation Expense	<u><u>8,329</u></u>

**NOTE 4 - NOTE PAYABLE**

On July 30, 2003, the Town received a loan from Far West Bank for \$7,700, with an interest rate of 5.75%, due August 5, 2004. The proceeds were used to assist in a road project in the Town. The note will be retired from Class C Road funds received from the State. During the prior year the Town retired \$5,730 of principal leaving a balance due of \$1,970 that was paid in this fiscal year.

**NOTE 5 - CLASS C ROAD**

The Town receives Class C Road money from the State of Utah for road construction and maintenance. The unexpended portion of this money is shown as reserved fund balance in the financial statements.

The following is schedule of receipts and disbursements in the Class "C" Road:

Balance - Beginning of Year	13,000
Receipts:	
State Allotments	15,935
Interest	<u>490</u>
Total Receipts	16,425
Disbursements	<u>(4,928)</u>
Balance - End of Year	<u><u>24,497</u></u>

**NOTE 6 - UTAH STATE RETIREMENT PLANS**

Lyman Town does not participate in the Utah State Retirement Plan.

**LYMAN TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 7 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in the Utah Local Governments Trust. The insurance coverage's are written on a group purchase arrangement. All of the insurance coverage is brokered and written through various insurance companies. Utah Local Government Trust acts as the broker.

**Liability:**

The Town is insured for \$2,000,000 combined single limit with no deductible per occurrence for Comprehensive General Liability. Bodily injury, personal injury, property damage, public officials errors and omissions coverage \$2,000,000 aggregate each policy period with no deductible each accident.

**Automobile Liability:**

The Town is insured for automobile bodily injury for \$2,000,000 combined single limit per accident. Property damage \$1,000,000 aggregate each policy period. The coverage also covers uninsured motorist \$50,000 each accident and \$50,000 each policy period.

**Property:**

All of the property coverage is insured through Utah Local Government Trust. Buildings and equipment are covered based on replaced cost subject to a \$1,000 deductible.

**Workers Compensation:**

This coverage is provided through the Utah Local Government Trust.

The Town has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three fiscal years.

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**LYMAN TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	<u>45,450</u>	<u>45,450</u>	<u>45,450</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	4,200	4,200	3,025	(1,175)
General Sales and Use Taxes	<u>15,000</u>	<u>15,000</u>	<u>54,750</u>	<u>39,750</u>
Total Taxes	<u>19,200</u>	<u>19,200</u>	<u>57,775</u>	<u>38,575</u>
Licenses and Permits:				
Business Licenses	150	150	75	(75)
Dog Licenses	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
Total Licenses and Permits	<u>150</u>	<u>150</u>	<u>180</u>	<u>30</u>
Intergovernmental Revenue:				
Class C Road	-	-	15,936	15,936
State Liquor Allotment	<u>60</u>	<u>60</u>	<u>73</u>	<u>13</u>
Total Intergovernmental Revenue	<u>60</u>	<u>60</u>	<u>16,009</u>	<u>15,949</u>
Charges for Services:				
Cemetery	<u>500</u>	<u>500</u>	<u>200</u>	<u>(300)</u>
Miscellaneous Revenue:				
Interest	800	800	1,284	484
Rents and Concessions	1,800	1,800	250	(1,550)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,825</u>	<u>1,825</u>
Total Miscellaneous Revenue	<u>2,600</u>	<u>2,600</u>	<u>3,359</u>	<u>759</u>
Amounts Available for Appropriation	<u>67,960</u>	<u>67,960</u>	<u>122,973</u>	<u>55,013</u>

**LYMAN TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Charges to Appropriations (Outflows):				
General Government:				
Administration	7,700	7,700	18,635	(10,935)
Professional Services	4,500	4,500	700	3,800
Total General Government	<u>12,200</u>	<u>12,200</u>	<u>19,335</u>	<u>(7,135)</u>
Streets and Public Improvements:				
Construction and Maintenance	-	-	4,928	(4,928)
Parks and Recreation and Public Property:				
Recreation and Beautification	1,500	1,500	1,245	255
Parks and Cemetery	8,100	8,100	2,467	5,633
Total Parks and Recreation and Public Property	<u>9,600</u>	<u>9,600</u>	<u>3,712</u>	<u>5,888</u>
Capital Outlay	710	710	-	710
Total Charges to Appropriations	<u>22,510</u>	<u>22,510</u>	<u>27,975</u>	<u>(5,465)</u>
Budgetary Fund Balance - June 30, 2005	<u>45,450</u>	<u>45,450</u>	<u>94,998</u>	<u>49,548</u>

**LYMAN TOWN  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Sources/Inflows and Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	122,973
<b>Differences - Budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(45,450)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>77,523</u></u>
<b>Uses/Outflows of Resources:</b>	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	27,975
<b>Differences - Budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>27,975</u></u>